



## MINUTES BOARD OF LIVESTOCK MEETING

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JANUARY 17 & 18, 2012  
LIVESTOCK CONFERENCE ROOM 319  
301 N ROBERTS, HELENA, MT

### BOARD MEMBERS PRESENT:

Brett DeBruycker, cattle producer  
Ed Waldner, swine producer  
John Lehfeltdt, sheep producer

Linda Nielsen, vice chair, cattle producer  
Jeffery Lewis, dairy producer  
Stan Boone, cattle producer

### BOARD MEMBERS ABSENT

Jan French, Chair, cattle producer

### STAFF PRESENT:

Dan Turcotte, Milk & Egg Bureau  
John Grainger, Brands Enforcement  
Dr Bill Layton, Veterinary Diagnostic Lab  
Dr Eric Liska, Animal Health

George Harris, Centralized Services  
Dr Marty Zaluski, Animal Health  
Dr Tahnee Szymanski, Animal Health  
Steve Merritt, PIO

### PUBLIC PRESENT:

Kraig Glazier, USDA AAPHIS WS  
Jeanne Souvigney, GYA  
Jim Hagenbarth, CWG  
Tom Bears, Coremark  
Becky Weed, Thirteen Mile Farm  
Ryan Clarke, USDA-APHIS

Les Graham, MALAM, MFB  
Ariel Overstreet, MSGA  
Brent Roeder, mWGA  
Tom Linfield, USDA-APHIS VS AVIC  
Ken McDonald, MFWP  
Glenn Duff, MSU Animal & Range Sciences

1:00 PM

### CALL TO ORDER:

TUESDAY, JANUARY 17, 2012

Vice chair Linda Nielsen opened the meeting in the absence of Jan French, Chair.

### ADMINISTRATIVE ITEMS

#### Board Communications:

- Jeff Lewis, Corvallis
  - Bitterroot weather good so far, looks to change soon
- Stan Boone, Ingomar
  - Beautiful winter, short sleeve weather, water is still open, cattle are still grazing
  - Sold Charlais calf at Miles City 800 lbs brought over \$1,000
- Ed Waldner, Chester
  - Prices have dropped off a little, but coming back
  - Very dry, looking forward to snow
- Brett DeBruycker, Dutton
  - Winter wide open so far, worried about wheat crop
  - Calving should start in a couple of weeks
  - Market is pretty wild
- John Lehfeltdt, Lavina
  - 12 below this morning, minor snowfall

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- Predators are always an issue
- Linda Nielsen, Nashua
  - Prices are high right now, a lot of people selling
  - First purebred bull sale of the year scheduled for next month
  - New computer system at the yards, learning it now
  - Clear, cold, open winter

Approval of Minutes:

**John Lefheldt moved to approve the November 14 & 15, 2011 board meeting minutes as presented. Brett DeBruycker seconded. The motion carried unanimously.**

Interim Authorizations and Activities:

There were no interim activities authorized.

Executive Officer Reports:

**Stan Boone moved to approve the executive officer reports as presented. Jeff Lewis seconded. The motion carried unanimously.**

Animal Health, Dr Zaluski

- Action Item # 1. 1-12 Out-of-State Travel Requests
  1. Western States Animal Health Association Meeting, March 21, Boise Idaho
    - All three MDOL veterinarians and Christian Mackay are to attend.
    - Agenda topics are germane to each vet's area of expertise; traceability, use of brands, trich - as it relates to testing virgin bulls.
    - Dr Barton requested Christian attend this meeting and he is not attending the Brand States meeting in Reno this year.
    - They will be driving to Boise, and motel rooms are \$77/night.

**Brett DeBruycker moved to authorize the out-of-state travel as presented. John Lefheldt seconded. The motion carried unanimously.**

2. National Assembly of State Animal Health Officials, Q Fever working Group.
  - Dr Zaluski nominated Dr Szymanski who was accepted as co-chair.
  - All travel expenses are covered by federal reimbursement.

**John Lefheldt moved to authorize Dr Szymanski to attend the Q Fever working group as presented. Ed Waldner seconded. The motion carried unanimously.**

- IBMP Citizens Working Group recommendations, Jim Hagenbarth
  - The group represents a diverse interests and opinions seeking solutions to the GYA/brucellosis issue from a group looking from outside any agencies' viewpoint
  - Recommendations agreed upon in meetings from January through November 2011 were presented to the IBMP last month.

Among recommendations:

- a. Find/develop a test to identify positives – actually identify individuals who have the disease and those who are immune.
- b. Long term vaccines – bison sero-positive numbers have remained relatively the same, now faced with increasing elk infection.
- c. The change in APHIS which allows establishment of DSA's shows producers must take the responsibility for their own actions and learn how to manage the disease and mitigate it in their own livestock.

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- d. Improve vaccines and protocols on how cattle are vaccinated
- e. The group recommended mandatory vaccination in support of the DSA owners.
- f. Must be aware of management, of interaction of wildlife and cattle
- g. Elk vaccine not yet possible. Would have to be oral, FWP would need to allow elk feeds to administer an oral vaccine.
- h. Important to ID every animal coming out of the DSA.
- i. Must have enlarged habitat to facilitate population control through the hunt.
- j. Need to agree on a bison population target and FWP needs to come up with a statewide population management plan.
- k. Preserve bison genetic integrity while managing the population
- l. Population control tools:
  - 1. Hunt, must enlarge the hunt area outside the park, where there will be no risk to cattle,
  - 2. Under the current plan outreach to owners to enlarge the hunt area has not been done,
  - 3. Hunting is a lot cheaper than testing and hauling positives to slaughter,
  - 4. Transfer clean bison to other areas in the state, bison could be an asset to our state,
  - 5. Lethal removal, as the last measure in population control.
- o Cannot expect the hunting ban within the park to change so we must work on the population control as they leave the park.
- o Next meeting will look at increased habitat in GYA, and movement of clean animals out of the GYA. Will push for a statewide long term policy for GYA bison management.
  - Look historically at the large migrations that occur occasionally regardless of population inside the park.
  - Hunting, hazing, live taking are considered tools toward controlling these migrations.
  - Reduction in seropositive in wildlife can be achieved by population control in elk as well as bison.
- Action Item #2.1-12 DSA Risk Model
  - Part of the 2010 December rule states each state must apply to USDA for approval of their designated DSA. The application data was then plugged into a USDA DSA Risk Model. Unfortunately, the model incorrectly assessed the risk outside of the DSA, based on insufficient and misapplied data.
  - o Use of the flawed model would hurt Montana producers.
    - Suggestion for USDA to defer using the results on the model while it is being improved.
  - o All three GYA state vets have expressed the same concerns.
  - o Working out a compromise may delay DSA funding.
- Miscellaneous Updates
  - FWP working group is looking at the elk risk to livestock in SW Montana.
  - o Members hand-picked from wildlife advocates and producers to look for other options to reduce occurrences.

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- Recognize that three out of five positive herds in the last five years were within 10 miles of each other.
- The first meeting is scheduled for the end of next week.

### USDA Wildlife Services, Kraig Glazier

- USDA budget has been signed
  - Looks to be the same as first proposed, good news for 2012.
  - 2013 looks like another 10% cut.
- Have started flying cattle petition counties; Golden Valley, Rosebud, Valley.
  - Also cost sharing in those counties who do not have a cattle petition.
- Wolf damage is down so far this year
  - Wolf hunting season, administered by FWP, is open until Feb 15.
  - 136 wolves taken so far out of a 225 quota.
  - A collared Oregon wolf showed up on California recently.
- Coyote numbers are up
  - 75% taken were through ground methods.
  - Not doing much flying on them.
- Two lion kills this weekend.
  - One near Darby and one just out of Butte.
  - Both animals were hanging very close to outbuildings.
  - Both were taken by lethal means.

### Public Information Office, Steve Merritt

- Reviewed brand rerecord reminder and outreaches completed in 2011.
- Trich/Brucellosis/Equine best management practices brochures should be ready for the March meeting.

### Veterinary Diagnostic Lab, Dr Bill Layton

- Action Item #3. 1-12 Out-of-State Travel Requests
  1. FDA Course #374, Laboratory Examination of Dairy Products Course, Ithaca, NY, March 20 through 22, 2012. Required for Dana to become fully certified analyst for the MVDL-Milk Lab.
  2. FDA Course #373, Julie Armstrong to attend for continuance of certification of State Milk Laboratory Evaluation Officers, required once every three years. San Antonio, TX, February 27 to March 3, 2012.
  3. SW Pacific Regional Milk Seminar, Albuquerque, NM, April 17 through 19, 2012. AAVLD Accreditation. Total travel costs estimated at \$1,418. Funding through Lab travel budget.
  4. Quality Systems Updates, Tess Moore, Quality Manager to attend the quality management one day training session at Washington State University. She will drive there and back. Funding source NAHLN Cooperative Agreement.

Stan Boone moved to approve all requested out-of state travel at a maximum cost of \$4,400 for the proposed out-of-state travel. Brett DeBruycker seconded. The motion carried unanimously.

- CWD Testing of game farm animals
  - Domestic CWD testing is no longer federally funded.

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- Our diagnostic lab is currently charging \$16 for shipping and handling with no charge for NVSL testing fee.
- As a cost saving measure the diagnostic lab tests will be sent to Wyoming.
- Game farm owners will be required to pay the \$25 fee charged by the Wyoming lab.
- Miscellaneous Updates
  - Random FDA milk testing for antibiotics may have new regulations coming down the pike due to MERSA concerns.
  - FDA is primarily conducting surveillance for antibiotic prevalence targeting 20 drugs
- New tests being done at the lab require fees be established
  - Request board approval for fees set on new tests as follows:
    - Clinical Pathology Updates
      - 1. Veterinary Free T4 for canine and feline
      - 2. Canine Direct Coombs, cost \$30.00
      - 3. Pancreas-Specific Lipase, cost \$22.50
    - Bacteriology Update
      - 1. CEM (Contagious Metritis) culture, \$175 -3/4 sets
    - Serology Update
      - 1. Caprine Arthritis Encephalitis – added ELISA test, \$6.00
    - PCR Updates
      - 1. BVD - PCR, \$35.00
      - 2. IBR – PCR, \$35.00
      - 3. Salmonella ???, \$20/???

John Lehfeldt moved to approve fees for the new lab tests as proposed. Jeff Lewis seconded. The motion carried unanimously.

- Mail problems
  - Cutbacks in USPS services are resulting in complaints from clients.
    - Would like to provide veterinary clients with the UPS services the state contract discount
    - Then add that mailing fee to that client's testing costs

3: 20p.m. Recess

3: 35 p.m. Reconvene

### Producer Organization Updates

- Montana Stockgrowers Association, Ariel Overstreet  
The MSGA board is meeting in Helena tomorrow in the MACO building at 1 p.m.  
Board members are invited to attend.

### Public Comment

- Brett Rader, introduced himself as the newly appointed executive secretary for the Montana Woolgrowers Association.
- Glenn Duff, introduced himself as the new head of the Animal & Range Sciences at MSU.

Meat Inspection, Christian Mackay

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- Introduced the new Meat Inspection Bureau Chief, Gary Hamel.
  - Gary starts next Monday.
  - He will attend the Western States Conference for the Meat Inspection segment in Boise, ID.
  - This out-of state travel was already pre-approved for Carol Olmstead.

### Enforcement Issue, Christian Mackay

- District man Ted Wall, wrote a ticket for moving livestock without an inspection
  - Producer who received the ticket protested and who contacted his legislator
  - Christian received an email from the legislator last night.
  - Ted has been investigating missing cattle in the area and felt fully justified to issue the ticket.
  - Christian asked the board to take the issue under consideration stating Ted's actions were justified and usual under his duties.
  - The board charged Christian with replying to the complaint

### Milk & Egg, Dan Turcotte

- Licensing is almost completed for dairies.
  - The new credit card application has sped up the process.
  - There was initially some confusion regarding accounting numbers and signed paperwork being returned.
- Flathead Cheese Plant
  - The new cheese plant is ready to start up as soon as they receive a thermometer that is on order.
- Another cheese plant is in the proposal stage.
- Great Falls Egg Inspection Plant
  - The new inspection employee is doing a good job.
  - P1171 designates the Great Falls inspection plant (eggs are in Costo under Wilcoxsons)
- Out-of-state travel to milk meeting in Albuquerque in April is already in the budget.
  - Rosemary and Dan to are required to attend.

4:00 p.m. Adjournment

8:10 a.m. TUESDAY, JANUARY 18, 2012 CALL TO ORDER

### BOARD MEMBERS PRESENT:

Brett DeBruycker, cattle producer  
Ed Waldner, swine producer  
John Lehfeldt, sheep producer

Linda Nielsen, vice chair, cattle producer  
Jeffery Lewis, dairy producer  
Stan Boone, cattle producer

### BOARD MEMBERS ABSENT

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Jan French, Chair, cattle producer

STAFF PRESENT:

Dan Turcotte, Milk & Egg Bureau  
John Grainger, Brands Enforcement

George Harris, Centralized Services  
Dr Marty Zaluski, Animal Health

PUBLIC PRESENT:

Les Graham, MALAM, MFB  
Tom Bears, Coremark

Kim Baker, Montana Cattlemen's Assn  
Lee LaBree, Carter Co Sheep & Cattle Growers Assn

Division Reports Continued

Centralized Services, George Harris

- Per Capita refund request
  - Received refund request from Jim Hagenbarth for \$359.09.
  - His cattle spend half the year grazing in Idaho.

**Stan Boone moved to authorize the \$359.09 refund as requested. Ed Waldner seconded. The motion carried unanimously.**

- FY 2012 Second Quarter Budget Status Report/State Special Revenue
  - Presented the second quarter budget status report.
  - Reviewed expenditures of each division and compared state special revenue receipts for this year to last year's receipts.
  - Explained proposals to work towards the board suggested 5% spending reductions from each division without major impact to services.
  - Per capita fee is coming in, now at \$3.7 million received

George Harris said he believes the agency can meet the 5% reduction as requested by the board with minimum personal services effects by taking savings from operations, not procuring some equipment and miscellaneous reductions.
- Updates
  1. Livestock Loss Board, George Edwards
    - Fundraising
      - The board has partnered with other interested groups (Woolgrowers, MSGA, etc) in trying to get up to \$25 million in federal funds into the trust fund over a five year period.
      - The group is meeting next Friday to continue working on the proposal.
      - LLB specialized license plates will be available in February, 2012.
  2. Information Technology
    - Reviewed status of the shipper/owner program.
- Horse Racing, George Harris explained that:
  - Horse Racing expenses continue to increase.
  - Last October they were at a negative \$370,000
  - The BOHR state special revenue account is in a deficit spending situation. By FYE 2012, cash from DOL state special revenue or the general fund will be used to cover the deficit expenditures. A supplemental will be requested in the next session to repay the cash.



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- Christian explained the proposal to eliminate expenses and hopefully generate income for horse racing:
  - Go back to a private entity run the simulcast (as was done in the past.)
  - BOHR will then receive a check for our percent of the net take.
  - This takes the risk out of the department's hands, no receipt and paying of expenses through our accounting department.
  - Monies received from the network entity will go towards paying off the per capita liability owed to BOL by BOHR.

### Brands Enforcement, John Grainger

- Rerecord Updates
  - The rerecord year is over and we are now dealing with the people who did not rerecord their brand – missed the deadline
  - Notification started in June 2010 with request to update addresses and outreach continued throughout 2011 to remind brand holders of the deadline through media, mailings and phone calls.
  - Approximately 8,000 brands expired (pink to designate expired).
  - The board can expect lots of requests for allowance on lapsed brands, but statutes designate a definite deadline of December 31 at midnight.
  - Christian commented that a higher percent of brands were rerecorded, with lower costs, went very smoothly, staff worked hard.
  - As a result of staff efforts and the new online programs we now have better data than ever before.
  - Did not receive any complaints on attitude or treatment by staff.
  - Do expect lots of complaints now regarding policy and non-ability to get their expired brand back.
- Lien procedure
  - Prior procedure was that liens just dropped off when the brand was not rerecorded.
  - Cort Jenson, Ag attorney explained that there are only two ways for a lien to come off brand. 1) at lien renewal time or 2) when the lien is paid off.
  - There is no statutory provision for expired brands dropping liens so a person applying for a new brand will have to assume any lien on that brand.
- Homeland Security Grant Update
  - Market Tracking System (or shipper/owner) grant of \$113,000 awarded by HS
  - Funding should become available by the first of March.
  - At which time payment for the Three Forks pilot system and the Office system will be paid for and installation of five more market systems will begin.
  - Approximately \$100,000 will be applied for to complete installation of the other seven markets in November with that funding available about next March.
- Fund raising Proposal
  - Christian asked for board direction on a Dennis McDonald suggestion requesting an opportunity to renew some unique (dropped) brands.
  - Either by 1) auction or 2) pay fee and draw for each brand.
  - Referring to single characters and hand drawn brands dropped in 70's/80's.
  - Must check on legalities.



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Board input included:

- Should check it out,
- word is out, heard at the feed store that DOL is auctioning off old brands,
- don't touch it.

John Grainger and Christian are charged to investigate possibilities and bring it to the next board meeting.

- Headwaters Livestock
  - Change of management request.
  - Same owners but want to lease out to another entity.
  - Les Graham suggested the board appoint a hearing officer to facilitate a change should the paperwork be ready before the March BOL meeting.
  - Surrounding producers are supportive of the change.
  - Gary Hamel said he is still waiting for statutorily required information to be supplied before a hearing can be held.

John Lehfeldt moved to allow Christian Mackay to oversee the procedure and appoint a hearing officer to complete the application if all is ready prior to the next board meeting. Stan Boone seconded. The motion carried unanimously.

### Beef Council Annual Report

- Questions were raised regarding Beef Council livestock collection numbers in the 2011 report.
- Christian was charged to review department collection numbers with accounting staff and draft a letter for board approval to be sent to the Beef Council Board.

10:20 a.m. Recess

10:40 a.m. Reconvene

### Milk & Egg, Dan Turcotte

- 12 Day Milk Rule Updates
  - Received letters from Meadowgold, Dairgold, and MMPB regarding the court decision.
  - Christian spoke with Chairman Jan French who stated she is not ready to make a decision yet.
  - This issue should be an action item on March agenda with the board continuing investigation of consumer/producer views through an open process and requests for comment.
    1. John Lehfeldt, need more time to study the decision; could change it to 14 days, letters advocate 14 days. Recently spoke with a Circle supplier wants to stay with the 12 day rule.
    2. Jeff Lewis, it is most important for consumer to get the freshest product. A shorter date preserves better flavor.
    3. Ed Waldner, need to study the paperwork, first priority is freshest product to the consumer, 12 day is fresher than 14, could possibly live with 14. Have to

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satisfy the consumer; lengthen the date and consumer gets bad milk it's bad for the consumer. 90% of the milk produced is sold in the first six days.

4. Dan Turcotte, look at what has changed in the 30 years since the rule was implemented. Montana went from 15 processors supplying regionally. Now milk is concentrated to three main fluid plants with shipping across the state. Could consider adding a day for shipping.
5. Christian will check in with board members as to they are coming in making a decision, then have it on the March agenda.

Ed Waldner said the Montana Pork Producers meeting is being held in Great Falls tomorrow and the MAGIE show. Invited all to attend.

Guest Speaker Kim Baker, President, Montana Cattlemen's Association

- Cattle Contracts
  - Presented a concern from Carter County Sheep and Cattle Growers Association who see the need for higher down payments on cattle contracts since cattle prices are currently so high.
  - A producer gets a contract, with the traditional small down payment per head (\$25/40 per head), if the market drops hard (i.e.: BSE) contractors with high contracted prices can drop the contract leaving producer with no sale on those animals.
  - Dealers are licensed and bonded but not necessarily insured.
  - Christian explained that the Board of Livestock does not regulate down payment on a cattle contract. It is a civil matter that would require a change in statute.
  - George Harris pointed out if there is a contract and one side breaks the contract the other can sue for damages (or loss).
  - Kim suggested a brochure produced by the department regarding private sale and risks involved.
  - Steve charged to develop a better management practice brochure regarding private sales (contracts).

### Public Comment

NEXT BOARD MEETINGS	March	12 & 13, 2012
	May	29 & 30, 2012 (Tuesday & Wednesday)

11:30 a.m.                      Adjournment

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LINDA NIELSEN, VICE-CHAIR